

## § 120.1723

## 13 CFR Ch. I (1–1–12 Edition)

### § 120.1723 Pool Loan receivables received by Seller.

Any Pool Loan Receivables received by Seller in connection with obligations under Seller's Pool Loan must be forwarded by Seller to CSA within two business days of receipt of collected funds.

### § 120.1724 Servicing and liquidation expenses.

All ordinary and reasonable expenses of servicing and liquidating Seller's Pool Loan shall be paid by, or be recoverable from, Obligor, and all such ordinary and reasonable expenses incurred by Seller or SBA which are not recoverable from Obligor shall be shared ratably by Seller, SBA, and the Pool Originator pursuant to the applicable percentages set forth in the First Lien Position 504 Loan Pool Guarantee Agreement.

### § 120.1725 No Program Preference by Seller or Pool Originator.

The Seller and the Pool Originator must not establish a Program Preference, which is defined in 13 CFR 120.10.

### § 120.1726 Pool Certificates a Seller cannot purchase.

Neither a Seller, nor any of its Program Associates or Affiliates, may purchase a Pool Certificate that is backed by a Loan Interest in a Pool Loan that the Seller, or any of its Program Associates or Affiliates, originated or owned, and, in the event such purchase occurs, SBA's guarantee shall not be in effect with respect to any such Pool Certificate.

## Subpart K—Establishment of an SBA Direct Loan Program for Systemically Important Secondary Market Broker-Dealers (SISMBD Loan Program)

SOURCE: 74 FR 59896, Nov. 19, 2009, unless otherwise noted.

### § 120.1800 Definitions used in subpart K.

(a) *Administrator*. The Administrator of the U.S. Small Business Administration.

(b) *Authority*. The Secondary Market Lending Authority defined herein.

(c) *Certificate*. The document the FTA issues representing a beneficial fractional interest in a Pool (Pool Certificate), or an undivided interest in the entire guaranteed portion of an individual 7(a) guaranteed loan (Individual Certificate).

(d) *Collateral (or Collateral for a SISMBD Loan)*. All Guaranteed Portions and Certificates (and proceeds thereof) that are purchased with SISMBD Loan proceeds, collateral assignments of the SBA Form 1086 (Secondary Market Participation Agreement) or SBA Form 1088 (Form of Detached Assignment for U.S. Small Business Administration Loan Pool or Guaranteed Interest Certificate) for all Guaranteed Portions and Certificates purchased with SISMBD Loan proceeds, the agreement for Lender/FTA payment of amounts due under the Guaranteed Portions and Certificates, and any other asset that is pledged to secure an SISMBD Loan.

(e) *Commitment Letter*. The document or documents containing the terms and conditions under which SBA agrees to lend money for a specific period of time to a Systemically Important SBA Secondary Market Broker-Dealer defined in Section 120.1810 of Subpart K and pursuant to Section 509 of the American Recovery and Reinvestment Act of 2009.

(f) *FTA*. SBA's fiscal and transfer agent.

(g) *Guaranteed Portion*. That portion of an SBA 7(a) loan sold in an SBA Secondary Market transaction. This guaranteed portion of a 7(a) loan once sold is certificated, carries a guarantee backed by the full faith and credit of the United States and bestows upon the Registered Holder the right to receive payments.

(h) *Individual Certificate*. The instrument representing a beneficial interest in the Guaranteed Portion of an individual 7(a) loan sold in the SBA Secondary Market Program and carries a guarantee which is backed by the full faith and credit of the United States.

(i) *Loan Advance Request Form*. The form approved by SBA wherein an SISMBD requests a specific dollar amount that will be used to purchase